

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
FINANCIAL STATEMENTS

FOR THE YEAR ENDING

MARCH 31, 2008

Reset Form

Email

Issued under Public Act 2 of 1968, as amended.

Unit Name	Beaugrand Township	County	CHEBOYGAN	Type	TOWNSHIP	MuniCode	
Opinion Date-Use Calendar	Jul 22, 2008	Audit Submitted-Use Calendar	Jul 30, 2008	Fiscal Year-Use Drop List		2008	

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".

<input checked="" type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input checked="" type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? <input type="text" value="NA"/>
<input checked="" type="checkbox"/>	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input type="checkbox"/>	18. Are there reported deficiencies?
<input type="checkbox"/>	19. If so, was it attached to the audit report?

General Fund Revenue:	\$ 157,485.00
General Fund Expenditure:	\$ 85,577.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	\$ 337,871.00
Governmental Activities Long-Term Debt (see instructions):	

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	Daniel	Last Name	Nieland	Ten Digit License Number	1101012250				
CPA Street Address	201 South Main St	City	Cheboygan	State	Mi	Zip Code	49721	Telephone	+1 (231) 627-4396
CPA Firm Name	Nieland & Kosanke, PC	Unit's Street Address	1999 Okd Mackinaw Rd	City	Cheboygan	LU Zip	49721		

NIELAND & KOSANKE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

201 SOUTH MAIN STREET, SUITE #2
CHEBOYGAN, MICHIGAN 49721
(231) 627-4396
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MEMBER
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
AND
MICHIGAN ASSOCIATION OF CERTIFIED
PUBLIC ACCOUNTANTS

DANIEL R. NIELAND, C.P.A.
JOSEPH D. KOSANKE, C.P.A.

Supervisor and Members Of
The Township Board of Trustees
Beaugrand Township
Cheboygan County, Michigan 49721

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, of Beaugrand Township, as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of government activities, each major fund and the aggregate remaining fund information of Beaugrand Township as of March 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally in the United States of America.

As described in the footnotes, Beaugrand Township has implemented a new financial reporting model, as required by the provisions of *GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*, as amended and interpreted as of March 31, 2008.

The Management's Discussion and Analysis, and budgetary comparison information on pages 4 through 6 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Beaugrand Township's basic financial statements. The schedules listed as other supplemental information in the accompanying table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of Beaugrand Township. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Nieland & Kosanke, P.C.
Certified Public Accountants

July 22, 2008
Cheboygan, Michigan 49721

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING MARCH 31, 2008

The Management's Discussion and Analysis for Beaugrand Township covers the Township's financial performance during the year ended March 31, 2008.

Financial Highlights

Our financial status remained stable over the last year. Net assets decreased from \$666,562 to \$646,175 for a decrease of \$(20,387).

Overall revenue was \$201,403. We incurred no new debt.

Overview of Financial Statements

This annual report consists of three parts, Management's Discussion and Analysis, the basic financial statements and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the Township and the notes to the financial statements.

The first two statements are entity-wide financial statements and provide both long and short-term information about our overall financial status. These statements present governmental activities.

The remaining statements are fund financial statements, which focus on individual parts of the Township in more detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

Entity-Wide Financial Statements

The entity-wide statements report information about the Township as a whole using accounting methods used by private companies. The statement of net assets includes all of the Township's assets and liabilities. The statement of activities records all of the current year revenues and expenses regardless of when received or paid.

The two entity-wide statements report net assets and how they have changed. Net assets are the difference between the entity's assets and liabilities and this is one method to measure the entity's financial health or position.

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING MARCH 31, 2008

Entity-Wide Financial Statements (continued)

Over time increases/decreases in the entity's net assets are an indicator of whether financial position is improving or deteriorating.

To assess overall health of the entity, you may also have to consider additional factors such as tax base changes, facility conditions and personnel changes.

All activities of the Township are reported as governmental activities, and there are no business type activities. Governmental activities include the General Fund, Fire Fund, Road Fund and Liquor Law Enforcement Fund.

Fund Financial Statements

The fund financial statements provide more detailed information about the Township's funds, focusing on significant funds and not the Township as a whole. In the section for other supplement information, the General Fund revenue and expenditures are shown on the line item basis. Funds are used to account for specific activities or funding sources. Law requires some funds. The Township Board may also create them. Funds are established to account for funding and spending financial resources and to show proper expenditures of those resources.

The Township has the following funds:

Governmental Funds: All of the Township's activities are included in the governmental fund category. These funds are presented on the modified accrual basis, which is designed to show short-term financial information. You will note that the differences between the Township's entity-wide statements and the fund statements are disclosed in reconciling statements to explain the differences between them. The Township's governmental funds include the following; General Fund, Fire Fund, Road Fund and Liquor Law Enforcement Fund.

Financial Analysis of the Township as a Whole

Our cash position in all governmental activities remains strong. Year-end cash position of all funds is as follows:

General Fund	\$336,136
Fire Fund	65,418
Road Fund	66,027
Liquor Law Enforcement Fund	<u>3,600</u>
Total Government Fund Cash	<u>\$471,181</u>

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING MARCH 31, 2008

Financial Analysis of the Township's Funds

Individual fund balances remain solid, as indicated by year-end balance and net change reflected below:

	Balance March 31, <u>2007</u>	Balance March 31, <u>2008</u>	Increase (Decrease)
General Fund	\$295,057	\$337,871	\$ 42,814
Fire Fund	58,837	69,033	10,196
Road Fund	130,409	66,027	(64,382)
Liquor Law Enforcement Fund	<u>3,694</u>	<u>3,600</u>	<u>(94)</u>
	<u>\$487,997</u>	<u>\$476,531</u>	<u>\$ (11,466)</u>

Capital Assets and Long-Term Debt Activity

The Township's total capital outlay in governmental funds was \$500. There was no long-term debt activity either new borrowing or principal repayment.

Factors Affecting Future Operations

We anticipate steady growth of tax revenue. Our cash balance is for the possible improvements to existing Township facilities. A proposal has been made that the Township enters into joint ownership of a fire hall with Inverness Township. This is currently in the engineering stage. Final determination will be made when costs are known. Road Funds are for future road projects and at this time are unidentified. We continue to operate under the assumption that long-range State funding is uncertain. We, therefore, believe that a healthy fund balance is essential to the Township's financial health.

Contacting the Township's Management

This financial report is designed to provide our citizens, taxpayers, and other interested parties with a general overview of Beaugrand Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Beaugrand Township at P. O. Box 5205, Cheboygan, Michigan 49721.

GENERAL PURPOSE FINANCIAL STATEMENTS

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
STATEMENT OF NET ASSETS
FOR THE YEAR ENDING MARCH 31, 2008

	<u>Primary Government Government Activities</u>
ASSETS:	
CURRENT ASSETS:	
Cash Checking	\$165,495
Cash Savings	162,716
Cash Certificates	142,970
Taxes Receivable	7,921
Accounts Receivable	<u>668</u>
Total Current Assets	<u>479,770</u>
NON-CURRENT ASSETS:	
CAPITAL ASSETS:	
Land	13,807
Buildings	217,084
Equipment and Furniture	37,023
Accumulated Depreciation	<u>(98,270)</u>
Total Non-Current Assets	<u>169,644</u>
Total Assets	<u><u>\$649,414</u></u>
LIABILITIES:	
Accounts Payable	\$ 1,175
Payroll Taxes Due	<u>2,064</u>
Total Liabilities	<u>3,239</u>
NET ASSETS:	
Invested in Capital Asset, Net of Related Debt	169,644
Unrestricted	<u>476,531</u>
TOTAL NET ASSETS	<u><u>\$646,175</u></u>

The accompanying notes are an integral
part of these financial statements.

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING MARCH 31, 2008

					Net (Expense) Revenue And Changes In <u>Net Assets</u>
					<u>Primary Government</u>
	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants And Contributions</u>	<u>Capital Grants And Contributions</u>	<u>Government Activities</u>
PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES:					
Legislative	\$ 22,083	\$ 0	\$ 0	\$ 0	\$ 22,083
General Services and Administration	64,867	4,325	0	0	60,542
Public Safety	30,514	0	0	0	30,514
Public Works	<u>104,326</u>	<u>5,040</u>	<u>0</u>	<u>0</u>	<u>99,286</u>
TOTAL GOVERNMENT ACTIVITIES	<u>221,790</u>	<u>9,365</u>	<u>0</u>	<u>0</u>	<u>212,425</u>
TOTAL PRIMARY GOVERNMENT	<u>\$221,790</u>	<u>\$ 9,365</u>	<u>\$ 0</u>	<u>\$ 0</u>	212,425
GENERAL REVENUES:					
Taxes					92,927
State Shared Revenues					83,483
Interest					13,571
Other					2,057
TRANSFERS					<u>0</u>
TOTAL GENERAL REVENUES AND TRANSFERS					192,038
CHANGE IN NET ASSETS					(20,387)
NET ASSETS - BEGINNING					<u>666,562</u>
NET ASSETS - ENDING					<u>\$646,175</u>

The accompanying notes are an integral
part of these financial statements.

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
BALANCE SHEET
FOR THE YEAR ENDING MARCH 31, 2008

	General <u>Fund</u>	Fire <u>Fund</u>	Liquor Law Enforcement <u>Fund</u>	Road <u>Fund</u>	Total Government <u>Funds</u>
ASSETS:					
Cash Checking	\$ 30,450	\$ 65,418	\$ 3,600	\$ 66,027	\$165,495
Cash Savings	162,716	0	0	0	162,716
Cash Certificates of Deposit	142,970	0	0		142,970
Accounts Receivable	668	0	0	0	668
Taxes Receivable	<u>4,306</u>	<u>3,615</u>	<u>0</u>	<u>0</u>	<u>7,921</u>
TOTAL ASSETS	<u>\$341,110</u>	<u>\$ 69,033</u>	<u>\$ 3,600</u>	<u>\$ 66,027</u>	<u>\$479,770</u>
LIABILITIES AND FUND BALANCE:					
LIABILITIES:					
Accounts Payable	\$ 1,175	\$ 0	\$ 0	\$ 0	\$ 1,175
Payroll Taxes Due	<u>2,064</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,064</u>
Total Liabilities	<u>3,239</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,239</u>
FUND BALANCE:					
General Fund	337,871	0	0	0	337,871
Fire Fund	0	69,033	0	0	69,033
Road Fund	0	0	0	66,027	66,027
Liquor Fund	<u>0</u>	<u>0</u>	<u>3,600</u>	<u>0</u>	<u>3,600</u>
Total Fund Balance	<u>337,871</u>	<u>69,033</u>	<u>3,600</u>	<u>66,027</u>	<u>476,531</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$341,110</u>	<u>\$ 69,033</u>	<u>\$ 3,600</u>	<u>\$ 66,027</u>	<u>\$479,770</u>

The accompanying notes are an integral
part of these financial statements.

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDING MARCH 31, 2008

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS	\$476,531
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Amounts reported for governmental activities in the
Statement of Net Assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	<u>169,644</u>
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NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$646,175</u>
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BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDING MARCH 31, 2008

	General <u>Fund</u>	Fire <u>Fund</u>	Liquor Law Enforcement <u>Fund</u>	Road <u>Fund</u>	Total Government <u>Funds</u>
REVENUE:					
Taxes	\$ 53,708	\$ 39,219	\$ 0	\$ 0	\$ 92,927
State Shared Revenue	82,905	0	578	0	83,483
Interest	9,450	749	70	3,302	13,571
Rentals and Other	6,382	0	0	0	6,382
Special Assessments	<u>5,040</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,040</u>
Total Revenue	<u>157,485</u>	<u>39,968</u>	<u>648</u>	<u>3,302</u>	<u>201,403</u>
EXPENDITURES:					
Legislative	22,083	0	0	0	22,083
General & Administrative	55,946	0	0	0	55,946
Public Safety	0	29,772	742	0	30,514
Public Works	<u>7,548</u>	<u>0</u>	<u>0</u>	<u>96,778</u>	<u>104,326</u>
Total Expenditures	<u>85,577</u>	<u>29,772</u>	<u>742</u>	<u>96,778</u>	<u>212,869</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	71,908	10,16	(94)	(93,476)	(11,466)
OTHER FINANCIAL SOURCES:					
Transfer To Other Funds	(29,094)	0	0	0	(29,094)
Transfer From Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>29,094</u>	<u>29,094</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES (OVER) UNDER EXPENDITURES AND OTHER USES	42,814	10,196	(94)	(64,382)	(11,466)
FUND BALANCE – BEGINNING	<u>295,057</u>	<u>58,837</u>	<u>3,694</u>	<u>130,409</u>	<u>487,997</u>
FUND BALANCE - ENDING	<u>\$337,871</u>	<u>\$ 69,033</u>	<u>\$ 3,600</u>	<u>\$ 66,027</u>	<u>\$476,531</u>

The accompanying notes are an integral
part of these financial statements.

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING MARCH 31, 2008

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS	\$ (11,466)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Depreciation Expense	<u>\$ 8,921</u>	<u>8,921</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u>\$ (20,387)</u>

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
FOR THE YEAR ENDING MARCH 31, 2008

	Current Tax Collection <u>Fund</u>	Hall Rental <u>Fund</u>
ASSETS:		
Cash	\$ <u>266</u>	\$ <u>304</u>
TOTAL ASSETS	\$ <u><u>266</u></u>	\$ <u><u>304</u></u>
LIABILITIES:		
Due Other Funds	\$ <u>266</u>	\$ <u>304</u>
TOTAL LIABILITIES	\$ <u><u>266</u></u>	\$ <u><u>304</u></u>

The accompanying notes are an integral
part of these financial statements.

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDING MARCH 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Beaugrand in Cheboygan, Michigan, have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, (when applicable) which do not conflict with or contradict GASB pronouncements. The more significant of these accounting policies established in GAAP and used by the Township are described below.

(1) REPORTING ENTITY

Beaugrand Township is an incorporated Township, which operates under a Supervisor – Board form of government. The Township provides the following services: public safety, highways and streets, sanitation, public improvements and general administrative services.

The Township has considered all potential component units in valuating how to define the Township for financial reporting purposes. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Statement 14 of the Government Accounting Standards Board (GASB), *The Financial Reporting Entity*. The basic criteria includes the appointment of a voting majority of the governing board of the unit; legal separation of the Township and the component unit, fiscal independence of the unit, whether exclusion of the unit would make the Township's financial statements misleading, and whether there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Township. There are no component units to be included in these statements.

The financial reporting entity of Beaugrand Township includes all funds and accounts of the Township.

(2) BASIC FINANCIAL STATEMENTS – GOVERNMENT -WIDE FINANCIAL STATEMENTS

Beaugrand Township's basic financial statements include both government -wide (reporting the Township as a whole) and fund financial statements (reporting the Township's major funds). Both the government -wide and fund financial statements categorize primary activities as either governmental or business -type. The Township's legislative, public works, public safety, community and economic development, recreation and culture and general services and administration are classified as governmental activities. Beaugrand Township does not have any activity that is classified as business -type activities.

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDING MARCH 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the government-wide Statement of Net Assets, both the governmental activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Township's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Township first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of Beaugrand Township's functions. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating – specific and discretionary (either operating or capital) grants while the capital grants column reflects capital – specific grants. The net costs (by function or business-type activity) are normally covered by general revenue.

The government-wide focus is more on the sustainability of Beaugrand Township as an entity and the change in net assets resulting from the current year's activities. The effect of interfund activities has been removed from these statements.

(3) BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the Township are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Township:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Township:

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDING MARCH 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- General Fund – General Fund is the general operating fund and, accordingly, it is used to account for all financial resources except those required to be accounted for in another fund.
- Fire Fund – The Fire Fund is used to account for financial resources to be used for expenditures related to fire protection through contributions to Inverness Fire Department.
- Road Fund – The Road Fund is used to account for resources to be used for road development and improvement. Revenues are transferred from the General Fund.
- Liquor Law Enforcement Fund – This is a State mandated fund to fund liquor establishment inspection.

The Township's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition, these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the Township, these funds are not incorporated into the government-wide statements.

(4) BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider has been met.

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDING MARCH 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified basis of accounting, revenues are recorded when they are both measurable and available. "Available" means collectible within the current period or within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. However, debt service expenditures, compensated absences, and claims and judgments are recorded only when payment is due.

(5) FINANCIAL STATEMENT AMOUNTS

Budgets

All governmental funds are under formal budgetary control. Budgets shown in the financial statements as "GAAP Basis" are adopted on a basis consistent with generally accepted accounting principles (GAAP) and are not significantly different from the modified accrual basis used to reflect actual results, and consist only of those amounts contained in the formal budget approved and amended by the Township Board. Budgets are adopted on the departmental level and control is exercised on that level.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. streets, bridges, and sidewalks), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of five years.

All capital assets are valued historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their fair value on the date donated. Depreciation on all exhaustible capital assets is charged as an expense against their operations in government-wide statements and proprietary financial statements. Accumulated depreciation is reported on government-wide and proprietary statement of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Land Improvements	20 years
Building, Structures and Improvements	39 years
Equipment	5-12 years

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDING MARCH 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reporting of certain assets, liabilities, revenues, and expenditures. Actual results may differ from estimated amounts.

Property Taxes

Property taxes are levied as of December 1 of each year and are due by the last day of the following March. The taxes are collected by the local unit and periodically remitted to the third parties during the collection period.

Interfund Activity

All interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Vacation and Sick Leave

The Township has no liability for accumulated vacation or sick leave.

Implementation of New Accounting Principles

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – And Management's Discussion And Analysis – For State And Local Governments* (GASB No. 34). Some of the significant changes in the Statement include the following:

- The financial statements include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the Township's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for the entire Townships' activities.

There is a change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDING MARCH 31, 2008

NOTE B – CASH ACCOUNTS AND SHORT-TERM INVESTMENTS

The Township as utilized separate bank accounts for each fund, details are shown below:

	<u>Checking</u>	<u>Savings</u>	<u>Certificates Of Deposit</u>
General	\$ 30,450	\$162,716	\$142,970
Road	66,027	0	0
Fire	65,418	0	0
Liquor	<u>3,600</u>	<u>0</u>	<u>0</u>
	<u>\$165,495</u>	<u>\$162,716</u>	<u>\$142,970</u>

These deposits and interest payment accounts are with local financial institutions. All accounts are in the name of the Township. Interest is recorded when deposits mature or is credited to the applicable account.

Michigan Compiled Laws Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions and savings and loan associations; bonds, securities and other obligations of the United States, or an agency or instrumentality of the United States in which the principal and interest is fully guaranteed by the United States, including securities or guaranteed by the Government National Mortgage Association; United States government or Federal Agency obligation repurchase agreements; banker's acceptance of United States banks; mutual funds composed of investment vehicles which are legal or direct investment by local units of government in Michigan; and commercial paper rated by two standard rating agencies within the three highest classifications, which mature no more than 270 days after the date of purchase, and which involves no more than 50 percent of any one fund. Michigan law prohibits security in the form of collateral, surety bonds, or other forms for the deposit of public money. Attorney General's Opinion Number 6168 states that public funds may not be deposited in the financial institutions located in states other than Michigan.

The Township deposits are in accordance with statutory authority. The Governmental Account Standards Board (GASB) Statement Number 3 risk disclosures for the Township cash deposit are as follows:

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDING MARCH 31, 2008

NOTE B – COMMON CASH ACCOUNTS AND SHORT-TERM INVESTMENTS
(continued)

<u>Deposits</u>	<u>Carrying Amount</u>
Insurance (FDIC)	\$336,060
Uninsured	<u>135,121</u>
	<u>\$471,181</u>

NOTE C – CAPITAL ASSETS

A summary of the capital assets of the Governmental Activities is as follows:

	Balance at April 1, <u>2007</u>	<u>Additions</u>	<u>Disposals</u>	Balance at March 31, <u>2008</u>
GOVERNMENTAL ACTIVITIES:				
Land	\$ 13,807	\$ 0	\$ 0	\$ 13,807
Total Capital Assets, Not Being Depreciated	<u>13,807</u>	<u>0</u>	<u>0</u>	<u>13,807</u>
Buildings and Improvements	217,084	0	0	217,084
Furniture and Equipment	<u>36,523</u>	<u>500</u>	<u>0</u>	<u>37,023</u>
Total Capital Assets Being Depreciated	<u>253,607</u>	<u>500</u>	<u>0</u>	<u>254,107</u>
Less Accumulated Depreciation:				
Buildings	73,611	5,427	0	79,038
Furniture and Equipment	<u>15,739</u>	<u>3,493</u>	<u>0</u>	<u>19,232</u>
Total Accumulated Depreciation	<u>89,350</u>	<u>8,920</u>	<u>0</u>	<u>98,270</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$178,064</u>	<u>\$ (8,420)</u>	<u>\$ 0</u>	<u>\$169,644</u>

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDING MARCH 31, 2008

NOTE C – CAPITAL ASSETS (continued)

A depreciation expense for the governmental activities was charged to the following functions and activities of the primary government:

General and Administrative	<u>\$ 8,921</u>
	<u><u>\$ 8,921</u></u>

NOTE D - TRANSFERS

The following transfers were made between funds:

	<u>Transfers In</u>		<u>Transfers Out</u>
Road Fund	<u>\$ 29,094</u>	General Fund	<u>\$ (29,094)</u>
Total	<u><u>\$ 29,094</u></u>	Total	<u><u>\$ (29,094)</u></u>

NOTE E – CONTINGENT LIABILITIES

Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained commercial insurance to handle its risk of loss.

GENERAL FUND

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
GENERAL FUND
STATEMENT OF DETAILED REVENUES
FOR THE YEAR ENDING MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Taxes:			
Current Property Tax	\$ 33,025	\$ 40,799	\$ 7,774
Property Tax Administration Fees	<u>10,825</u>	<u>12,909</u>	<u>2,084</u>
	<u>43,850</u>	<u>53,708</u>	<u>9,858</u>
State Shared Revenues:			
Sales, Income, SBT and Intangibles Tax	75,000	79,602	4,602
Swamp Tax	<u>3,300</u>	<u>3,303</u>	<u>3</u>
	<u>78,300</u>	<u>82,905</u>	<u>4,605</u>
Interest	<u>5,000</u>	<u>9,450</u>	<u>4,450</u>
	<u>5,000</u>	<u>9,450</u>	<u>4,450</u>
Special Assessments	<u>2,250</u>	<u>5,040</u>	<u>2,790</u>
	<u>2,250</u>	<u>5,040</u>	<u>2,790</u>
Miscellaneous:			
Rent	3,000	4,325	1,325
Other	<u>1,500</u>	<u>2,057</u>	<u>557</u>
	<u>4,500</u>	<u>6,382</u>	<u>1,882</u>
TOTAL REVENUES	<u>\$133,900</u>	<u>\$157,485</u>	<u>\$ 23,585</u>

The accompanying notes are an integral part of these financial statements.

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
GENERAL FUND
STATEMENT OF DETAILED EXPENDITURES
FOR THE YEAR ENDING MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES:			
Legislative:			
Township Board:			
Wages and Salaries	\$ 7,900	\$ 7,860	\$ 40
Office Supplies	1,000	926	74
Local Grants	1,000	0	1,000
Printing and Publishing	100	35	65
Memberships and Dues	900	773	127
Transportation	300	126	174
Employer's Social Security	3,800	3,798	2
Insurance	3,800	3,753	47
Miscellaneous – Cleanup Day	5,300	4,312	988
Education	200	0	200
Professional Fees	<u>500</u>	<u>500</u>	<u>0</u>
Total Legislative	<u>24,800</u>	<u>22,083</u>	<u>2,717</u>
General and Administrative Services:			
Assessor:			
Salary and Wages	10,000	9,880	120
Computer Support	400	340	60
Education	<u>1,200</u>	<u>632</u>	<u>568</u>
Total Assessor	<u>11,600</u>	<u>10,852</u>	<u>748</u>
Executive:			
Supervisor:			
Salary and Wages	8,000	8,000	0
Transportation	750	575	175
Education	100	75	25
Office Supplies	150	113	37
Miscellaneous	<u>150</u>	<u>0</u>	<u>150</u>
Total Supervisor	<u>9,150</u>	<u>8,763</u>	<u>387</u>

The accompanying notes are an integral part of these financial statements.

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
GENERAL FUND
STATEMENT OF DETAILED EXPENDITURES
FOR THE YEAR ENDING MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES: (continued)			
General and Administrative Services:			
Clerk:			
Salary and Wages	\$ 7,600	\$ 7,500	\$ 100
Miscellaneous	100	0	100
Office Supplies	150	41	109
Education	200	0	200
Transportation	300	5	295
Computer Support	<u>1,200</u>	<u>779</u>	<u>421</u>
Total Clerk	<u>9,550</u>	<u>8,325</u>	<u>1,225</u>
Board of Review:			
Salary and Wages	1,800	1,800	0
Printing and Publishing	550	535	15
Transportation	50	0	50
Education	100	0	100
Contracted Services	<u>0</u>	<u>155</u>	<u>(155)</u>
Total Board of Review	<u>2,500</u>	<u>2,490</u>	<u>10</u>
Elections:			
Wages	600	597	3
Transportation	<u>50</u>	<u>30</u>	<u>20</u>
Total Elections	<u>650</u>	<u>627</u>	<u>23</u>
Treasurer:			
Salary and Wages	9,750	9,699	51
Office Supplies	3,000	1,675	1,325
Transportation	300	227	73
Computer Support	500	377	123
Printing and Publishing	150	136	14
Education	<u>100</u>	<u>0</u>	<u>100</u>
Total Treasurer	<u>13,800</u>	<u>12,114</u>	<u>1,686</u>

The accompanying notes are an integral part of these financial statements.

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
GENERAL FUND
STATEMENT OF DETAILED EXPENDITURES
FOR THE YEAR ENDING MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES: (Continued)			
General and Administrative Services:			
Township Hall:			
Salary and Wages	\$ 3,750	\$ 3,300	\$ 450
Supplies	500	453	47
Utilities	4,000	3,787	213
Repairs and Maintenance	2,475	806	1,669
Telephone	900	814	86
Contracted Services	3,700	3,115	585
Capital Outlay	<u>35,000</u>	<u>500</u>	<u>34,500</u>
Total Township Hall	<u>50,325</u>	<u>12,775</u>	<u>37,550</u>
Total General and Administrative Services	<u>97,575</u>	<u>55,946</u>	<u>41,629</u>
PUBLIC WORKS:			
Highways, Streets and Bridges:			
Repairs and Maintenance	3,347	3,347	0
Street Lighting	<u>2,250</u>	<u>4,201</u>	<u>(1,951)</u>
Total Public Works	<u>5,597</u>	<u>7,548</u>	<u>(1,951)</u>
TOTAL EXPENDITURES	<u>127,972</u>	<u>85,577</u>	<u>42,395</u>
TRANSFER OUT	<u>29,094</u>	<u>29,094</u>	<u>0</u>
TOTAL EXPENDITURES AND TRANSFERS	<u>\$157,066</u>	<u>\$114,671</u>	<u>\$ 42,395</u>

The accompanying notes are an integral part of these financial statements.

SPECIAL REVENUE FUNDS

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
FOR YEAR ENDING MARCH 31, 2008

ASSETS

	<u>Fire Fund</u>	Liquor Law Enforcement <u>Fund</u>	<u>Road Fund</u>	<u>Total</u>
ASSETS:				
Cash	\$ 65,418	\$ 3,600	\$ 66,027	\$135,045
Taxes Receivable	<u>3,615</u>	<u>0</u>	<u>0</u>	<u>3,615</u>
TOTAL ASSETS	<u>\$ 69,033</u>	<u>\$ 3,600</u>	<u>\$ 66,027</u>	<u>\$138,660</u>

LIABILITIES AND FUND EQUITY

LIABILITIES:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL LIABILITIES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
FUND EQUITY:				
Fund Balance:				
Unreserved, and Undesignated	<u>\$ 69,033</u>	<u>\$ 3,600</u>	<u>\$ 66,027</u>	<u>\$138,660</u>
TOTAL FUND EQUITY	<u>69,033</u>	<u>3,600</u>	<u>66,027</u>	<u>138,660</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 69,033</u>	<u>\$ 3,600</u>	<u>\$ 66,027</u>	<u>\$138,660</u>

The accompanying notes are an integral
part of these financial statements.

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
FOR THE YEAR ENDING MARCH 31, 2008

	Fire <u>Fund</u>	Liquor Law Enforcement <u>Fund</u>	Road <u>Fund</u>	<u>Total</u>
REVENUES:				
Taxes	\$ 39,219	\$ 578	\$ 0	\$ 39,797
Interest	<u>749</u>	<u>70</u>	<u>3,302</u>	<u>4,121</u>
Total Revenue s	<u>39,968</u>	<u>648</u>	<u>3,302</u>	<u>43,918</u>
EXPENDITURES:				
Public Safety	29,772	742	0	30,514
Public Works	<u>0</u>	<u>0</u>	<u>96,778</u>	<u>96,778</u>
Total Expenditures	<u>29,772</u>	<u>742</u>	<u>96,778</u>	<u>127,292</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,196	(94)	(93,476)	(83,374)
OTHER FINANCING SOURCES				
Operating Transfer In	<u>0</u>	<u>0</u>	<u>29,094</u>	<u>29,094</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	10,196	(94)	(64,382)	(54,280)
FUND BALANCE – BEGINNING OF YEAR	<u>58,837</u>	<u>3,694</u>	<u>130,409</u>	<u>192,940</u>
FUND BALANCES – END OF YEAR	<u>\$ 69,033</u>	<u>\$ 3,600</u>	<u>\$ 66,027</u>	<u>\$138,660</u>

The accompanying notes are an integral part of these financial statements.

FIRE FUND

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
FIRE FUND
BALANCE SHEET
FOR THE MARCH 31, 2008

ASSETS

Cash	\$ 65,418
Taxes Receivable	<u>3,615</u>
TOTAL ASSETS	<u>\$ 69,033</u>

LIABILITIES AND FUND EQUITY

Accounts Payable	\$ <u>0</u>
TOTAL LIABILITIES	<u>0</u>
FUND EQUITY:	
Fund Equity:	
Unreserved, Undesignated	<u>69,033</u>
TOTAL FUND EQUITY	<u>69,033</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 69,033</u>

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDING MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	\$ 38,040	\$ 39,219	\$ 1,179
Interest	<u>500</u>	<u>749</u>	<u>249</u>
Total Revenue s	38,540	39,968	1,428
EXPENDITURES:			
Public Safety:			
Fire Protection	30,025	29,094	931
Salaries	900	630	270
Payroll Taxes	<u>70</u>	<u>48</u>	<u>22</u>
Total Expenditures	<u>30,995</u>	<u>29,772</u>	<u>1,223</u>
EXCESS OF REVENUES AND EXPENDITURES	<u>\$ 7,545</u>	10,196	<u>\$ 2,651</u>
FUND BALANCES – BEGINNING		<u>58,837</u>	
FUND BALANCES – ENDING		<u>\$ 69,033</u>	

The accompanying notes are an integral
part of these financial statements.

LIQUOR LAW ENFORCEMENT FUND

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
LIQUOR LAW ENFORCEMENT FUND
BALANCE SHEET
FOR THE YEAR ENDING MARCH 31, 2008

ASSETS

Cash	<u>\$ 3,600</u>
TOTAL ASSETS	<u>\$ 3,600</u>

LIABILITIES AND FUND EQUITY

Accounts Payable	<u>\$ 0</u>
Total Liabilities	0
FUND EQUITY:	
Fund Balance:	
Unreserved, Undesignated	<u>3,600</u>
TOTAL FUND EQUITY	<u>3,600</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,600</u>

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
LIQUOR LAW ENFORCEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDING MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Taxes:			
Liquor Licenses	\$ 575	\$ 578	\$ 3
Interest	<u>50</u>	<u>70</u>	<u>20</u>
Total Revenue s	<u>625</u>	<u>648</u>	<u>23</u>
EXPENDITURES:			
Law Enforcement:			
Memberships & Dues	165	32	133
Salary	660	660	0
Payroll Taxes	<u>55</u>	<u>50</u>	<u>5</u>
Total Expenditures	<u>880</u>	<u>742</u>	<u>138</u>
EXCESS OF EXPENDITURES OVER REVENUE	<u>\$ (255)</u>	(94)	<u>\$ 161</u>
FUND BALANCE – BEGINNING		<u>3,694</u>	
FUND BALANCE – ENDING		<u>\$ 3,600</u>	

The accompanying notes are an integral
part of these financial statements.

ROAD FUND

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
ROAD FUND
BALANCE SHEET
FOR THE YEAR ENDING MARCH 31, 2008

ASSETS

Cash	\$ <u>66,027</u>
TOTAL ASSETS	<u>\$ 66,027</u>

LIABILITIES AND FUND EQUITY

Accounts Payable	\$ <u>0</u>
TOTAL LIABILITIES	<u>0</u>
FUND EQUITY:	
Fund Balance:	
Unreserved, Undesignated	<u>66,027</u>
TOTAL FUND EQUITY	<u>66,027</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 66,027</u>

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
ROAD FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDING MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Interest	<u>\$ 3,300</u>	<u>\$ 3,302</u>	<u>\$ 2</u>
TOTAL REVENUES	<u>3,300</u>	<u>3,302</u>	<u>2</u>
EXPENDITURES:			
Public Works	<u>97,000</u>	<u>96,778</u>	<u>2</u>
TOTAL EXPENDITURES	<u>97,000</u>	<u>96,778</u>	<u>222</u>
EXCESS OF REVENUES OVER EXPENDITURES	(93,700)	(93,476)	224
TRANSFERS IN	<u>29,094</u>	<u>29,094</u>	<u>0</u>
EXCESS OF REVENUES OVER EXPENDITURES AFTER TRANSFERS	<u>\$(64,606)</u>	(64,382)	<u>\$ 224</u>
FUND BALANCE – BEGINNING		<u>130,409</u>	
FUND BALANCE – ENDING		<u>\$ 66,027</u>	

The accompanying notes are an integral
part of these financial statements.

OTHER

NIELAND & KOSANKE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

201 SOUTH MAIN STREET, SUITE #2

CHEBOYGAN, MICHIGAN 49721

(231) 627-4396

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DANIEL R. NIELAND, C.P.A.
JOSEPH D. KOSANKE, C.P.A.

MEMBER
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
AND
MICHIGAN ASSOCIATION OF CERTIFIED
PUBLIC ACCOUNTANTS

July 22, 2006

Township Board
Beaugrand Township
Cheboygan County, Michigan

Re: Comments and Recommendations

We have examined the general purpose financial statements of Beaugrand Township, Cheboygan County, for the year ended March 31, 2008, and have issued my report thereon dated July 22, 2008.

This report and accompanying recommendations are intended solely for the use of management and should not be used for any other purpose.

All recommendations from the last scheduled audit of March 31, 2006, were followed up on and implemented. We have no further recommendations at this time.

We would like to compliment Terri Sarrault and Janice Girard for the excellent job done as Clerk and Treasurer. Also, the Board as a whole should be proud of their stewardship of public funds, as evidenced by the strong financial position of the Township.

We look forward to working with your Township in the future.

Nieland & Kosanke, P.C.
Certified Public Accountants